

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NOS. 2014-479-S and 2021-116-S - ORDER NO. 2021-298

APRIL 30, 2021

IN RE: Docket No. 2014-479-S – Petition of Palmetto)	ORDER APPROVING
Utilities, Incorporated for Leave to Substitute)	PETITION TO
Letter of Credit for Certificate of Deposit and)	SUBSTITUTE
Request for Expedited Review)	PERFORMANCE BOND
)	WITH INSURANCE
and)	SURETY FOR CURRENT
)	LETTER OF CREDIT
Docket No. 2021-116-S – Petition of Palmetto)	SURETY
Utilities, Incorporated for Leave to Substitute)	
Bond for Letter of Credit and Request for)	
Waiver or Notice by Publication, and a)	
Request for Expedited Review)	

This matter comes before the Public Service Commission of South Carolina on the Petition of Palmetto Utilities, Inc. (“Palmetto” or “the Company”) for leave to substitute a bond with an insurance company surety for a letter of credit as surety. The Company also requests expedited review of the matter. The request for expedited review is granted.

Specifically, Palmetto requests substitution of Atlantic Specialty Insurance Company as surety on the performance bond for the previous surety which was a letter of credit. S.C. Code Ann. Regs. 103-512.3 specifies that before a company can operate any sewer utility system for which Commission approval is required, the utility must have on file with the Commission and provide a copy to the Office of Regulatory Staff (“ORS”) a performance bond with sufficient surety using a format prescribed by the Commission. S.C. Code Ann. Regs. 103-512.3.1 states that the amount of the bond shall be based on, but

not limited to, the total amount of certain prescribed categories of expenses for a twelve-month period. The bond amounts range from \$100,000 to \$350,000. In the present case, the amount of Palmetto's bond is \$350,000. Further, S.C. Code Ann. Regs. 103-512.3.2 states that sufficient surety may be any duly licensed bonding or insurance company authorized to do business in this state.

In the present case, Palmetto's submitted bond with surety meets the requirements of the Commission's Regulations. Accordingly, the substitution of the submitted bond with Atlantic Specialty Insurance Company as surety for the letter of credit surety should be approved.

FINDINGS OF FACT:

1. Palmetto requests substitution of Atlantic Specialty Insurance Company as surety on the performance bond for the previous surety, which was a letter of credit.
2. The amount of the bond is \$350,000, which is the maximum amount allowed under Commission Regulations.
3. The new surety for the bond will be Atlantic Specialty Insurance Company.
4. Palmetto's submitted bond with surety meets the requirements of the Commission's Regulations.
5. The substitution of the submitted bond with Atlantic Specialty Insurance Company as surety for the letter of credit surety should be approved.

CONCLUSIONS OF LAW:

1. S.C. Code Ann. Regs. 103-512.3 specifies that before a company can operate any sewer utility system for which Commission approval is required, the utility must have on file with the Commission and provide a copy to the Office of Regulatory Staff (“ORS”) a performance bond with sufficient surety using a format prescribed by the Commission.

2. S.C. Code Ann. Regs. 103-512.3.1 states that the amount of the bond shall be based on, but not limited to, the total amount of certain prescribed categories of expenses for a twelve-month period. The bond amounts range from \$100,000 to \$350,000.

3. S.C. Code Ann. Regs. 103-512.3.2 states that sufficient surety may be any duly licensed bonding or insurance company authorized to do business in this state.

ORDERING PROVISIONS:

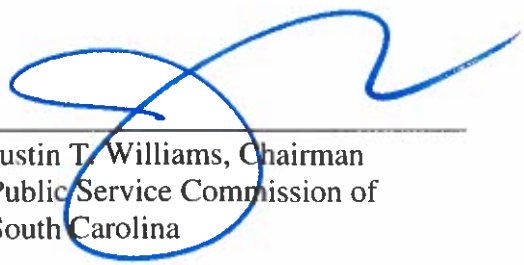
1. The substitution of Atlantic Specialty Insurance Company as surety on the performance bond for the previous letter of credit as surety is approved.

2. The Company shall deliver the performance bond with original signatures to the Commission within seven (7) days of the date of this Order.

3. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:




Justin T. Williams, Chairman
Public Service Commission of
South Carolina